

UNITED STATES DISTRICT COURT  
WESTERN DISTRICT OF OKLAHOMA

JAMES GLITZ, et al., on behalf of	)	No. 5:12-cv-01341-W
Themselves and All Others Similarly	)	
Situated,	)	<u>CLASS ACTION</u>
	)	
Plaintiffs,	)	
	)	
vs.	)	
	)	
SANDRIDGE ENERGY, INC., et al.,	)	
	)	
Defendants.	)	
	)	No. 5:13-cv-00019-W
LOUIS CARBONE, on behalf of Himself	)	
and All Others Similarly Situated,	)	<u>CLASS ACTION</u>
	)	
Plaintiff,	)	
	)	
vs.	)	
	)	
SANDRIDGE ENERGY, INC., et al.,	)	
	)	
Defendants.	)	
	)	

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SANDRIDGE INVESTOR GROUP'S MEMORANDUM OF LAW IN FURTHER  
SUPPORT OF ITS MOTION FOR APPOINTMENT AS LEAD PLAINTIFF AND  
APPROVAL OF SELECTION OF LEAD COUNSEL AND IN OPPOSITION TO THE  
COMPETING MOTIONS

Laborers Pension Trust Fund for Northern Nevada, Construction Laborers Pension Trust of Greater St. Louis, and Vladimir and Angelica Galkin (collectively, the “SandRidge Investor Group”) respectfully submit this memorandum of law in further support of their motion for appointment as lead plaintiff and approval of their selection of Robbins Geller Rudman & Dowd LLP (“Robbins Geller”) as lead counsel and Derryberry & Naifeh, LLP as liason counsel, and in opposition to the motions filed by Jeff Nance (“Nance”) and Henry Jovanelly (“Jovanelly”).

## **I. INTRODUCTION**

Three motions have been filed with this Court by shareholders of SandRidge Energy, Inc. (“SandRidge” or the “Company”), seeking their respective appointment as lead plaintiff pursuant to the Private Securities Litigation Reform Act of 1995 (“PSLRA”). The Court’s task, pursuant to the PSLRA, is to grant one of those motions and appoint as lead plaintiff the “most adequate plaintiff,” *i.e.*, the investor that “has the largest financial interest in the relief sought by the class” and who also “otherwise satisfies the requirements of Rule 23 of the Federal Rules of Civil Procedure.” 15 U.S.C. §78u-4(a)(3)(B)(iii)(I).

A review of the three motions makes it clear that only the SandRidge Investor Group is entitled to the PSLRA’s “most adequate plaintiff” presumption. Undeniably, the SandRidge Investor Group has the largest financial interest, having purchased more than 1,091,000 total shares of SandRidge during the Class Period and having suffered losses in excess of \$1.3 million. In addition, the SandRidge Investor Group “otherwise satisfies” Rule 23. Thus, the SandRidge Investor Group is the presumptive lead plaintiff.

Importantly, the two other investors who filed motions seeking to be appointed lead plaintiff have also acknowledged that the SandRidge Investor Group should be appointed

lead plaintiff. *See* Notice of Henry Jovanelly’s Non-Opposition to the SandRidge Investor Group’s Lead Plaintiff Motion, dated February 22, 2013 at 2 (acknowledging that the SandRidge Investor Group is the presumptive lead plaintiff); Notice of Withdrawal of Lead Plaintiff Motion of Jeff Nance, dated February 25, 2013 (same). As such, the SandRidge Investor Group’s motion to be appointed lead plaintiff and to have its selection of counsel approved is unopposed.

Accordingly, the SandRidge Investor Group respectfully requests that its motion be granted in full.

## II. ARGUMENT

### A. The Procedure Required by the PSLRA for Appointment of Lead Plaintiff

Section 21D of the PSLRA provides that in securities class actions, courts “shall appoint as lead plaintiff(s) the member or members of the purported plaintiff class that the court determines to be most capable of adequately representing the interests of the class members.” 15 U.S.C. §78u-4(a)(3)(B)(i). In determining which class member is “the most adequate plaintiff,” the PSLRA provides that:

[T]he court shall adopt a presumption that the most adequate plaintiff in any private action arising under this Act is the person or group of persons that:

(aa) has either filed the complaint or made a motion in response to a notice . . .  
∴;

(bb) in the determination of the court, has the ***largest financial interest*** in the relief sought by the class; and

(cc) otherwise satisfies the requirements of Rule 23 of the Federal Rules of Civil Procedure.

15 U.S.C. §78u-4(a)(3)(B)(iii)(I) (emphasis added).

The PSLRA establishes a rebuttable presumption that the most adequate plaintiff is the person or entity with the largest financial interest in the relief sought. Under the PSLRA that “presumption may only be rebutted in very limited circumstances” by a competing movant offering proof that the SandRidge Investor Group is not adequate or typical to represent the class. *See Friedman v. Quest Energy Partners LP*, 261 F.R.D. 607, 610 (W.D. Okla. 2009); *Accord Weinstein v. McClendon*, CIV-12-465-M, 2012 WL 2994291 (W.D. Okla. July 20, 2012). As set forth herein, the SandRidge Investor Group is the presumptive lead plaintiff and no other movant has offered any type of proof to rebut that presumption. *See* 15 U.S.C. §78u-4(a)(3)(B)(iii)(II) (stating that “proof” is required to rebut the presumption afforded to the presumptive lead plaintiff). Indeed both other movants have explicitly acknowledged that the SandRidge Investor Group is the presumptive lead plaintiff. *See* Notice of Henry Jovanelly’s Non-Opposition to the SandRidge Investor Group’s Lead Plaintiff Motion, dated February 22, 2013 at 2 (acknowledging that the SandRidge Investor Group is the presumptive lead plaintiff); Notice of Withdrawal of Lead Plaintiff Motion of Jeff Nance, dated February 25, 2013 (same).

**B. The SandRidge Investor Group Is the “Most Adequate Plaintiff” and Should Be Appointed as Lead Plaintiff**

**1. The SandRidge Investor Group Has the Largest Financial Interest**

The “most adequate plaintiff” must have the “largest financial interest.” 15 U.S.C. §78u-4(a)(3)(B)(iii)(I)(bb). With losses in excess of \$1.3 million, the SandRidge Investor Group’s financial interest vastly exceeds the financial interest claimed by Henry Jovanelly (\$231,187) and Jeff Nance (\$116,417).

## 2. The SandRidge Investor Group Also Satisfies the Rule 23 Requirements

Because the Sandridge Investor Group has the largest financial interest, “the Court turns to whether [it] satisfies the requirements of Fed. R. of Civ. P. 23.” 15 U.S.C. §78u–4(a)(3)(B)(iii)(I). *In re Williams Sec. Litig.*, 02-CV-72-H(M), 2002 WL 32153476 (N.D. Okla. July 8, 2002). In selecting a lead plaintiff under the PSLRA, “[m]any courts agree, however, that a wide-ranging analysis under Rule 23 is not appropriate and should be left for consideration of a motion for class certification. This inquiry, therefore, focuses on the qualities of the class representatives enumerated in Rule 23(a)(3) and 23(a)(4).” (internal quotations omitted) (citations omitted). *Id.* In other words, “at the lead plaintiff appointment stage, all that is required is a ‘preliminary showing’ that the lead plaintiff’s claims are typical and adequate.” *Id.* (internal quotations omitted) (citations omitted).

As demonstrated in its opening memorandum, the members of the SandRidge Investor Group are both typical and adequate. The members of the SandRidge Investor Group have the “same interests and seek a remedy for the same injuries as other class members.” *Id.* Indeed, the SandRidge Investor Group’s claims are based on the same legal theory and same course of conduct as the claims of other class members. There is also no indication that the SandRidge Investor Group’s claims conflict with those of the class. Moreover, as set forth in Exhibit A, attached hereto, the members of the SandRidge Investor Group have signed a joint declaration stating, among other things, that they believe that their “combined experience, sophistication and resources will enable [them] to vigorously represent the class’s interests,” Ex. A at ¶5, and that they are committed to maximizing the net recovery for the class consistent with good faith advocacy.” *Id.* at ¶6.

Finally, the SandRidge Investor Group has proposed the law firm of Robbins Geller as lead counsel, a firm that is highly experienced and that has a proven track record of success, as acknowledged by this Court:

As noted in the factual findings herein, Lead Plaintiff has selected highly qualified counsel with extensive experience in securities litigation, including numerous class action securities lawsuits. The knowledge and experience of Robbins Geller is not only reflected in its firm resume, but has been previously recognized by a federal court which described it as “one of the most successful law firms in securities class actions, if not the preeminent one, in the country.” *In re Enron Corp. Securities, Derivative & ERISA Litig.*, 586 F.Supp.2d 732, 789–90, 797 (S.D.Tex.2008). That court also cited the law firm’s “clearly superlative litigating and negotiating skills.” *Id.* at 789. Lead Plaintiff’s selection of Robbins Geller to prosecute the claims in this case reflects Lead Plaintiff’s understanding of the importance of experienced and competent counsel as well as its intent to provide adequate representation to the class members.

*United Food & Commercial Workers Union v. Chesapeake Energy Corp.*, 281 F.R.D. 641, 654 (W.D. Okla. 2012).

Based upon the SandRidge Investor Group having the largest financial interest, as well as its typicality and adequacy, the SandRidge Investor Group has satisfied each of the PSLRA’s lead plaintiff prerequisites. The SandRidge Investor Group’s motion should therefore be granted.

### **III. CONCLUSION**

The SandRidge Investor Group has satisfied each of the PSLRA’s requirements for appointment as lead plaintiff. Accordingly, the SandRidge Investor Group respectfully requests that the Court grant its motion in full.

DATED: February 25, 2013

ROBBINS GELLER RUDMAN  
& DOWD LLP  
SAMUEL H. RUDMAN  
DAVID A. ROSENFELD  
MARIO ALBA JR.

*/s/ DAVID A. ROSENFELD*

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